

Bergman, Bernard

"Diegek Othonai"

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ticity, but the voice from the past has had an unsettling effect on their home and their community, where Jay is scheduled for reconsecration by his Elkton parish this year. "We do not believe in reincarnation," he told NEWSWEEK's Jane Whitmore last week, "but I'm not smart enough to say it isn't reincarnation. We know this is a valid case, whatever it is." Dolores Jay, who knows of her other personality only through tapes and transcripts, was equally confused. "I'm not a Catholic but they believe in a space between life and death," the soft-spoken woman mused. "One time I thought this poor girl was a spirit seeking peace in some way. But I don't want to get my husband in trouble with his congregation."

**Conflict:** Clearly uneasy about her alter ego, Dolores Jay only rarely and reluctantly agrees to submerge herself in Gretchen. Her desire to end the specula-



Jacobs Eisenberg

Elderly patient: Horror stories

tion has led to a low-key conflict with Stevenson, who has spent years researching the possibility of reincarnation in cultures around the world. Stevenson has shied away from publicity, however, saying only that he plans to publish the material in the near future; the impatient Jays have been trying to get the story out themselves.

But that may not settle the issue. It was in 1952 that a hypnotized woman in Pueblo, Colo., revealed for the first time in extensive detail the life and death of a nineteenth-century Irish woman called "Bridey Murphy." For all the publicity, proofs and counterproofs generated by that incident, it has never been conclusively settled one way or the other, and the Jays seem likely to be similarly tantalized by Gretchen. Once, when her husband was seriously ill, an emotionally drawn Dolores Jay was standing at the kitchen sink. She recalls being overcome by an eerie feeling that Gretchen was hovering somewhere just out of sight—calling her to a place from which she might never return.

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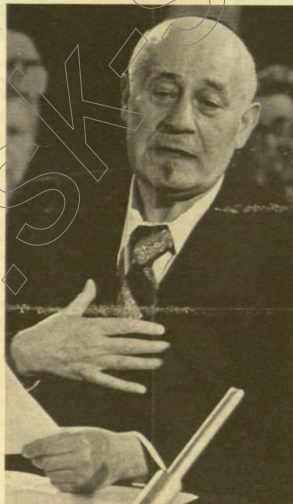
## The Nursing-Home Scandal

The nation's nursing homes have long provided a rich vein of shame and scandal—tales of unsafe facilities, inadequate diets and stomach-turning patient neglect. There were more of those horror stories last week when a Senate subcommittee set up shop in New York City to explore the latest scandal there. But this time there were also signs that investigators might finally go beyond a few days of headlines to the complex system of politics and profiteering that fosters the abuses—in New York and many other cities around the nation. "It is enough to make defense contractors drool with envy," said Democratic Sen. Frank E. Moss

much to oversee their ownership or their operation.

Most of the investigations thus far seemed to focus on one man: Hungarian-born Bernard Bergman, 63, an Orthodox rabbi without a congregation whose ties to some of New York's most powerful politicians allegedly helped him build a multimillion-dollar nursing-home empire. Although Bergman himself has said he is a man of modest means, recent financial statements that he has filed have shown his net worth ranging from \$6 million to nearly \$24 million. And while he acknowledges owning only two New York nursing homes, investigators have assembled evidence linking him to no fewer than 55 homes in the state—and scores more outside.

Care in nursing homes is often minimal



Bernard Gottfried—Newsweek

Witness Bergman: A big lie?

of Utah, the subcommittee chairman. "I am tired of the slow progress or no progress in this area... The showdown so long delayed is now here."

That kind of rhetoric has been heard before. But if Moss's inquiry fails to produce remedies, at least seventeen other investigations of the same scandal—at the Federal, state and local levels—are under way or planned. Already some of the other probes have turned up connections between key figures in New York and nursing-home chains in four other states. There were reports of interlocking "cartels," evidence of inflated and improper charges amounting to millions of dollars and rumors of Mafia money behind the scenes. Beyond that, the inquiries raised questions about the responsibility of the Federal government, which supplies most of the funds that make nursing homes profitable without doing very



Beyond tears: A showdown at last?

or worse, with helpless patients left untended for hours; at last week's hearings, city physician Dr. Jay Dobkin testified that nursing-home residents are often admitted to city hospitals feverish, dehydrated and ridden with bedsores. "Some of these patients are so dry they can no longer salivate... or form tears," he said. But despite complaints and documented charges of abuse, Federal officials are reluctant to close nursing homes, arguing that the patients might have nowhere else to go. At one of the homes in Bergman's alleged empire, the Carlton in Brooklyn, inspectors in 1972 found rat poison "indiscriminately thrown... in kitchen corners," two floors that were "dirty and slimy" and some patients who did not even have blankets. The Bergman-owned Towers in Manhattan closed recently because of safety violations; it also had billed Medicaid for patients after their death or discharge, state reports say, and for questioned religious donations and liquor.

A large, round-faced man with a tiny goatee and an ever-present yarmulke,



1975



Janie Eisenberg

Bergman came to the U.S. as a teen-ager in 1929 (later, his mother and stepfather were convicted of trying to smuggle heroin into the country in the bindings of Hebrew books). After joining the rabbinate and serving as a nursing-home chaplain, Bergman became editor of a Yiddish newspaper in New York and a leader in the worldwide Mizrahi Zionist movement. He also made a practice of giving generous gifts and loans to his neighbors and associates. "When you were in a political campaign and you were trying to crack the Orthodox Jewish vote," said New York Democratic insider Herbert Rickman, "you always tried to get Bergman involved."

**Squelch:** Bergman returned the compliment by involving politicians in his nursing homes. He bought business insurance from a firm headed by Brooklyn Democrat Stanley Steingut, now the powerful Assembly Speaker, and hired former Deputy Mayor Stanley Lowell as attorney for one of his homes. According to state health-department records and other evidence, these men or their aides—along with Assembly Majority Leader Albert Blumenthal—all have interceded in Bergman's behalf at one time or another. More serious, Assemblyman Andrew Stein, 30, the state's premier investigator of nursing homes, accused Steingut of trying to squelch an official investigation of Bergman homes back in 1973. Steingut denied the charge. And



Bernard Gotfryd—Newsweek

### Pressing the issue: State Assemblyman Stein and the Bergman-owned Towers, after its recent forced closing

fully fifteen years ago, charges of neglect, fraud and corruption involving Bergman were reported to city hall, but the evidence somehow never prompted action by the district attorney's office.

Bergman also got help from key figures in the Republican administrations of governors Nelson Rockefeller and Malcolm Wilson. On one occasion, an influential GOP fund raiser even helped him arrange to use Rockefeller's New York City offices for a meeting with state health officials from whom he was seeking favorable decisions on several challenged nursing-home projects.

The money in nursing homes comes mainly from the Federal government; Medicare and Medicaid funds made up at least half of the \$7.5 billion spent in the U.S. last year on nursing-home care. But despite—or because of—this flood of money, the Moss committee estimates that half of the 23,000 nursing homes in the nation are "substandard." And many operators have ingenious ways to maximize their take, relying on lax enforcement of Federal, state and local operations and permissive standards of payment. Widely varying claims for payment are routinely accepted—differences of up to 400 per cent for standard services such as housekeeping and laundry, according to figures presented by Stein.

**Kickback:** Stein and two aides also displayed a complex chart last week showing how a single Bergman home had been bought, sold, mortgaged, resold and remortgaged in deals involving associates of the rabbi and his wife, apparently to raise its ostensible value and operating costs and thus justify higher Federal charges. Some operators, Stein

charged, get kickbacks on services supplied by companies in which they have hidden interests, and one Bergman home paid a staggering \$664,000 to its own accountant—supposedly as a repayment of a previous loan.

When he came to the stand, Bergman denounced all the charges as "a big lie" and part of a witch hunt unmatched "since the days of Sen. Joseph McCarthy." He argued that his political contacts were a proper way of "complaining about a choking bureaucracy." Moss cut the questioning short, but Bergman turned over a stack of subpoenaed records and agreed to appear before the panel again next week.

His problems are not likely to end soon. After the first disclosures, New York's newly elected Democratic Gov. Hugh Carey appointed both a special prosecutor and a blue-ribbon panel to study nursing-home abuses. In addition to questions of political influence, NEWSWEEK has learned, special prosecutor Charles Hynes plans to look into charges that organized-crime figures such as Meyer Lansky may be involved in nursing-home finances. State health officials, meanwhile, have tightened up inspection procedures and announced plans to close down 62 nursing homes with irreparable health hazards. And the U.S. Department of Health, Education and Welfare declared it would no longer fund homes that did not meet its own health and safety codes, although protracted court battles over that policy were expected.

**Clout:** The New York scandal prompted similar inquiries in New Jersey, Connecticut and Massachusetts. But in the past, reverberating scandals across the nation have been followed by oddly diffident reforms, and political clout is not limited to New York. In Wisconsin, for instance, a Nixon White House aide and local Republican leaders reportedly fought for eighteen months to scuttle a pilot program for keeping tabs on nursing-home care. Massachusetts, in contrast, has adopted a comprehensive system of inspections and a computerized file of nursing-home patients to prevent duplicate billing. "I know there are payments that are made for patients that don't exist," says health-department official Frank McCarthy. "But we'll soon be able to put a stop to that."

Many critics of nursing homes demand more aggressive supervision by the Federal government, but the Moss subcommittee is wary of usurping state and local authority. "You can't create a national corps of inspectors," says subcommittee member Pete V. Domenici of New Mexico. Moss himself prefers a "grading system" in which "homes that do imaginative, enriching things for the residents get a higher return." Yet unless some controls are applied, Washington will never know how imaginatively its money is being spent—or squandered. And many of the nation's aged will continue to live—and die—in squalor.